



DEPARTMENT OF THE NAVY
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20350-1000

MN-B36-F24
BSAT
1 June 93

MEMORANDUM

Subj: MINUTES OF BASE STRUCTURE EVALUATION COMMITTEE (BSEC)
MEETING OF 22 APRIL 1993

Encl: (1) 22 April 1993 BSEC Meeting Agenda with three enclosures (Technical Corrections to DON Recommendations, Summary of Revisions to COBRA Submissions, Minor Corrections to DON BRAC-93 Records)
(2) GAO Handouts (Memorandum for Acting SECNAV of 19 Apr 93 from Acting Chairman, BSEC; GAO Testimony before Defense Base Closure and Realignment Commission)
(3) Base Closure and Realignment Commission Handouts (Biographical Information; Mid-Atlantic Region Hearing Schedule; Commission Visits and Hearing Schedules)
(4) COBRA Technical Corrections Briefing Charts
(5) Minor Corrections to DON BRAC-93 Records Briefing Charts

1. The thirty-sixth meeting of the Base Structure Evaluation Committee (BSEC) convened at 1442 on 22 April 1993, in Room 531 at the Center for Naval Analyses. All members of the BSEC were present. LtGen Tiebout departed the meeting at 1530. Members of the Base Structure Analysis Team (BSAT) staff present were [REDACTED], and [REDACTED]. [REDACTED] departed the meeting at 1515. The BSEC members were provided with enclosure (1) at the beginning of the meeting.

2. (b) [REDACTED] opened the meeting by noting that the Military Departments had a meeting with OSD regarding the recommendation for Carswell AFB on 22 April 1993. The meeting went well, and Mr. Berteau approved presenting the implementation proposal developed by the Military Departments to the community.

3. [REDACTED] provided to the BSEC copies of the Naval Audit Service report on the DON BRAC-93 process and the GAO report on analysis of DoD's recommendations and selection process for closures and realignments, as well as the materials at enclosure (2). He reported that the Naval Audit report, issued 15 March 1993, notes that the Department of the Navy data was validated, the process complied with law and policy, appropriate controls were in place throughout the process, and corrective action was taken on all discrepancies noted by Naval Audit. The GAO issued their statutorily required report on 15 April 1993 and provided

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testimony to the Commission on 19 April 1993. The GAO report found the DON process sound and well-documented, but recommended the Commission review DON recommendations in which bases with higher military values were recommended for closure and in which military judgment was brought to bear. [REDACTED] then provided the BSEC with the materials at enclosure (3), and noted that the Commission regional hearings have begun.

4. (b) [REDACTED] reported that feedback from the Commission staff indicates that the Commission intends to add a large number of naval activities to the list for proposed closure or realignment and to require the Department of the Navy to run COBRAs on a large number of additional alternatives for sub-categories of installations. The staff also has indicated that they are not satisfied with answers to questions that state that the BSEC does not hold the information requested, and that they want the Department to obtain the information. To respond to these requests, as well as to Congressional requests for information not contained in the Base Structure Data Base or the BSAT Library, data calls are being issued to obtain this additional data. The BSEC agreed that meeting all of these requirements will necessitate additional staff for the BSAT, which (b) [REDACTED] and VADM Loftus will pursue.

5. (b) [REDACTED] noted that the BSAT is beginning to identify recurring key issues/concerns being raised in inquiries from the media, the Commission, and Congressional delegations. Answers to these issues will be developed, and provided to the BSEC for their use in responding to queries.

6. The BSEC discussed questions being asked by the field on the flexibility of operational commanders regarding implementation of BRAC-93 recommendations. The BSEC agreed that the recommendations and supporting documentation contain the basic outline of what was intended by the BSEC in its decision-making, and hence by the Acting Secretary of the Navy when he forwarded the recommendations to SECDEF. Accordingly, assets cannot be moved where the analysis does not indicate movement. However, the ultimate assignment of specific units or aircraft/ships and the appropriate force structure levels are the prerogative of operational commanders.

7. The BSEC then discussed whether there are any recommendations which require modification. In particular, NAVSEA has asked whether disestablishment of SUPSHIP Brooklyn as a function of the closure of NAVSTA Staten Island was intended in view of the decision not to recommend closure of other SUPSHIPS. The BSEC confirmed that portion of the recommendation, and agreed that any work remaining at SUPSHIP Brooklyn after the fleet left Staten

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Island could be absorbed by other SUPSHIPS. The BSEC agreed that no substantive modifications would be made to the existing recommendations. To the extent that force structure or mission changes make any recommendations inappropriate, the issue can be re-visited during BRAC-95.

8. The BSEC reviewed the technical corrections contained in Tab 1 of enclosure (1). These technical corrections are limited to the addition of language which was inadvertently omitted from the recommendations as originally written or the deletion of language which was either incorrect as written or seriously impede implementation of the recommendation. The corrections relate only to the "Recommendation" paragraph, since that is the language which will have the force and effect of law, should it be adopted by the Commission, the President, and Congress. The BSEC concurred with the recommended changes and the rationale for those changes, and agreed that these technical corrections should be forwarded to OSD and the Commission.

9. [REDACTED] briefed the BSEC on technical corrections which have been made to COBRA analyses (see Tab 2 of enclosure (1) and enclosure (4)). These corrections are the result of receipt of final certified data and/or correction of errors in the original calculations. The BSEC reviewed the COBRA technical corrections and agreed that none of the changes were of such a magnitude as to cause revision of their evaluation and original recommendations for these activities.

10. [REDACTED] then briefed the BSEC on minor corrections which have been made to DON BRAC-93 records as the result of correction of arithmetic or transcription errors (see Tab 3 of enclosure (1) and enclosure (5)). The briefing charts in enclosure (5) represent the charts as they now exist and are being released. The numbers handwritten on the briefing charts for all but the NADEP and shipyard configuration analyses are the "old" numbers, which are reflected in the DON report or deliberative records. The numbers handwritten on the briefing charts for the NADEP and shipyard configuration analyses are the "new" numbers which would result if audit changes were incorporated into the military value matrices. For consistency among the sub-categories, arithmetic/transcription errors are being corrected and audit changes are not being corrected in the documentation which is being released in response to queries. The BSEC reviewed these corrections to documentation and agreed that none of the changes were of such a magnitude as to cause revision of their evaluation and original recommendations for these activities.

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11. The meeting adjourned at 1649 on 22 April 1993.

(b) (6)



Acting Chairman
Base Structure Evaluation
Committee

AGENDA

BSEC MEETING

22 APRIL 1993

1430-1630

CNA, ROOM 531

- **AUDIT REPORTS**
 - **NAVY AUDIT**
 - **GAO**
- **FEEDBACK FROM COMMISSION**
- **PREPARING FOR COMMISSION/CONGRESSIONAL INTEREST ITEMS**
- **DON RECOMMENDATIONS**
 - **POSSIBLE MODIFICATIONS TO RECOMMENDATIONS**
 - **TECHNICAL CORRECTIONS**
- **REVIEW OF MODIFICATIONS TO SUPPORTING DOCUMENTATION**
 - **COBRA DATA**
 - **MILITARY VALUE MATRICES/CONFIGURATION ANALYSIS**

TABS

KEY DOCUMENTS

1. **TECHNICAL CORRECTIONS TO DON RECOMMENDATIONS**
2. **SUMMARY OF REVISIONS TO COBRA SUBMISSIONS**
3. **MINOR CORRECTIONS TO DON BRAC-93 RECORDS**

TECHNICAL CORRECTIONS

Continuing review of Department of the Navy recommendations for closure or realignment of Navy and Marine Corps installations has revealed minor inconsistencies between certain "Recommendation" sections and the corresponding Base Structure Evaluation Committee (BSEC) decisions as they are recorded in the official minutes and deliberative reports, as well as a failure of certain "Recommendation" sections to include all aspects of a proposed closure or realignment. The Department of the Navy considers that the "Recommendation" paragraph controls over any inconsistency between that section and other sections relating to an individual activity. The following recommended corrections identify these inconsistencies and omissions and are intended to minimize questions that might arise during implementation of any Department of the Navy recommended closures or realignments that are adopted by the Base Closure and Realignment Commission. These corrections are shown in line-in/line-out format.

1. Recommended Change: Recommend the OSD Report, page 54 (DON Report, page D-9) be amended as follows:

Mare Island Naval Shipyard, Vallejo, California

Recommendation: Close the Mare Island Naval Shipyard (NSY). Relocate the Combat Systems Technical Schools Command activity to Dam Neck, Virginia. Relocate one submarine to the Naval Submarine Base, Bangor, Washington. The Naval Reserve Center disestablishes. Family housing located at Mare Island NSY will be retained as necessary to support Naval Weapons Station Concord.

Rationale: Consistent with OSD policy to account for all Reserve component actions at closing installations, the BSEC directed the closure or realignment of all reserve centers at such installations. The Naval Reserve Center, Vallejo disestablishment was included in the COBRA analysis, but was inadvertently omitted from the recommendation. The Selected Reservists who presently drill at NRC Vallejo will go to NRC Sacramento to drill. This change has no effect on return on investment or economic impact calculations or environmental impact assessments.

2. Recommended Change: Recommend the OSD Report, page 55 (DON Report, page I-31) be amended as follows:

Marine Corps Air Station El Toro, California

Recommendation: Close Marine Corps Air Station (MCAS) El Toro, California. Relocate its aircraft along with their dedicated personnel, equipment and support to other naval air stations, primarily Naval Air Station (NAS), Miramar, California and MCAS Camp Pendleton, California. To

SUMMARY OF REVISIONS TO COBRA SUBMISSIONS

The following is a list of minor changes to the DON final BRAC-93 COBRA analysis that the BSAT staff have noted during the continuing process of reviewing the certified data, the analysis process, and the BSEC deliberative records. Each of the changes noted here do not appear to have an impact on the DON BRAC-93 decision process. However, the BSEC should review these changes to confirm that staff assessment. These modifications have been provided to the Commission.

1. Naval Education and Training Center Newport. Revised to decrease requirement for family housing construction at Naval Station Norfolk in accordance with certified data. Decreases ROI from two years to immediate, increases annual steady state savings by \$16K, and decreases one-time costs by \$9.7M.
2. Naval Submarine Base New London. Revised to reflect certified data pertaining to numbers of positions remaining to support the school and to include \$46M in community infrastructure costs at Naval Submarine Base Kings Bay. Increases ROI year from immediate to two years, decreases annual steady state savings by \$6.3M, and increases one-time costs by \$40.6M.
3. Naval Station Staten Island. Revised to delete requirement for family housing construction at Naval Station Norfolk in accordance with certified data. This change does not affect ROI year, increases annual steady state savings by \$24K, and decreases one-time costs by \$15M.
4. Naval Station Mobile. Revised to delete elimination of billets on FFT 1089 and FFT 1097 and estimate moving costs for moving those billets to Naval Station Ingleside. This change has no effect on ROI (which remains immediate), increases one-time costs by \$481K, and decreases annual steady state savings by \$7.4M.
5. Naval Station Treasure Island. Revised in accordance with tenant's certified data regarding equipment and personnel moves. This change does not change ROI years, increases annual steady state savings by \$1.3M, and reduces one-time costs by \$2.8M.
6. Naval Aviation Depot Norfolk. Revised to delete Homeowner's Assistance Program entry which was erroneously entered on screen 4. This change has no effect on ROI (which was already immediate) or on annual steady state savings. This change does, however, reduce one-time costs by \$13M.
7. Naval Air Station South Weymouth. Revised to delete MILCON at Jacksonville, in accordance with the Department of the Navy's Analyses and Recommendations Report, and to delete one additional enlisted billet and correct one-time costs in accordance with

certified data. This change has no effect on ROI (which was already immediate), increases steady state savings by \$2.3K, and decreases one-time costs by \$16M.

8. Naval Undersea Warfare Center Norfolk. Revised to reflect final, certified data pertaining to miscellaneous recurring costs and savings and personnel numbers associated with the scenario. This change does not affect ROI year, which remains at four years, decreases one-time costs by \$0.2M and decreases steady-state savings by \$1.1M.

9. Public Works Center San Francisco. Revised to delete 1,831 students erroneously entered on screen 4. This change does not affect ROI or annual steady state savings. Students do, however, affect estimated changes in overhead costs in the COBRA model. This correction increases annual steady state savings by \$6.9M.

10. Naval Air Station Memphis/Naval Air Station Meridian. Revised to delete \$7M MILCON cost avoidance at NAS Meridian in accordance with certified data (contract has been awarded). This minor change does not affect ROI or steady state savings. Since one-time costs on COBRA's realignment summary are in gross numbers and are not offset by one-time savings, there is no effect on one-time costs. This change is, however, reflected in the annual net costs for 1994 on the realignment summary.

MINOR CORRECTIONS TO DON BRAC-93 RECORDS

The following is a list of minor changes to the DON final BRAC-93 records that the BSAT staff have noted during the continuing process of reviewing the certified data, the analysis process, and the BSEC deliberative records. Each of the changes noted here do not appear to have an impact on the DON BRAC-93 decision process. However, the BSEC should review these changes to confirm that staff assessment. These minor modifications have been provided to the Commission.

1. Administrative Activities. The configuration chart has been updated to reflect corrections to transcription errors in the number of workyears for two of the activities.
2. National Capital Region Activities. The configuration chart has been updated to reflect the decision not to move NCTC from the NCR.
3. Naval Training Centers. The configuration charts reflect updates to the capacities of recruit berthing.
4. Technical Centers. The configuration chart has been updated to reflect transcription errors in the military values of several of the installations.
5. Naval Aviation Depots/Shipyards. The Naval Audit Service review of these (and other) military value matrices revealed a few 0/1 changes that made minor modifications to the installations' final military value scores. In all cases, these errors did not appear to impact subsequent analyses or decisions. In most cases, the final versions of the military value matrices and configuration analyses were not updated to reflect the audit updates. In the case of NADEPs and Shipyards, the military value matrices that included the audit updates were released. For purposes of consistency, only the pre-audit versions of the military value matrices (those presented to the BSEC and reflected in the final report) will be subsequently released.
6. Operational and Reserve Air Stations. Transcription errors in the military values shown in the configuration charts have been corrected. These military values reflect the values used for the configuration analyses and all the BSEC deliberations.
7. Training Air Stations. The BSEC decision to move this sub-category to the Shore Support of Operational Forces category was not reflected in the military values listed in the final report. These values have been updated to reflect appropriate military value scoring weights. Additionally, transcription/arithmetic errors in the expanded capacity/configuration analysis have been corrected.
8. Naval Stations. A transcription error of one installation's military value in the configuration chart has been corrected.



DEPARTMENT OF THE NAVY
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MM-A84-F23
BSAT/RL
19 Apr 93

MEMORANDUM FOR THE ACTING SECRETARY OF THE NAVY

Subj: GAO REPORT TO THE CONGRESS AND THE CHAIRMAN, DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION; "MILITARY BASES: ANALYSIS OF DOD'S RECOMMENDATIONS AND SELECTION PROCESS FOR CLOSURES AND REALIGNMENTS"

As required by the Defense Base Closure and Realignment Act of 1990 as amended, the United States General Accounting Office (GAO) has issued its report on DoD's FY 1993 recommendations and selection process for closures and realignments. The summary conclusion made by GAO relating to the Department of the Navy's process and recommendations was "The Navy's recommendations and selection process were generally sound and well documented." Unlike the 1991 GAO report on base closure, there are neither recommendations for our Department to take corrective action nor any criticism that our process was not supported with accurate data and deliberative records. GAO makes it clear that the Department of the Navy's 1993 base structure process complied with force structure and criteria requirements.

The report, however, does recommend that the Commission closely analyze Navy recommendations (1) where the closing base had a higher military value than others remaining open (e.g., Charleston Naval Shipyard); (2) where judgments and assumptions about the future were critical to the recommended closures (e.g., NTC Great Lakes); and (3) where an alternative closure recommendation would have produced approximately the same excess capacity reduction and military value, but cost savings were not analyzed (unlike what was done in the case of NADEP Norfolk). The GAO recommendations have little impact on our process because we fully expect the Commission to vigorously review our closure and realignment recommendations regardless.

Our records document the capacity analysis, the military value scores, and expected savings for every recommended closure and realignment action. These records have been subjected to review by the GAO and Naval Audit Service, and provided to OSD, the Commission, and the Congress. Therefore, we are prepared to work with the Commission in demonstrating the basis and justification for our recommendations. Our records also support the Department of the Navy's recommendations as being objective, free of improper bias, and in balance with future force structure plans. Perhaps a measure of the effectiveness of our process is that GAO did not take exception to any of our recommendations.

The GAO report is attached. The key points of interest have been highlighted for your attention. My staff and I are available to provide more details on any aspect of this report.

(b) (6)



Acting Chairman
Base Structure Evaluation Committee

GAO

Testimony

Before the Defense Base Closure and Realignment Commission

For Release on Delivery
Expected at
10:00 a.m., EST
April 19, 1993

MILITARY BASES

Analysis of DOD's
Recommendations and
Selection Process for Closure
and Realignments

Statement of Frank C. Conahan, Assistant Comptroller General
National Security and International Affairs Division



Mr. Chairman and Members of the Commission:

I am pleased to be here today to testify before the Commission. The Secretary submitted his recommendations to the Defense Base Closure and Realignment Commission on March 12, 1993. As required by the Defense Base Closure and Realignment Act of 1990 (P.L. 101-510), as amended, we have submitted to the Commission a detailed analysis of the Secretary's recommendations and selection process.¹ My statement will focus on some of the key issues we raised in our report.

Our review indicated that the Secretary of Defense's March 12, 1993, recommendations and selection process for base closures and realignments were generally sound. We believe Department of Defense (DOD) estimates of savings are overstated, but still substantial. However, the recommendations and selection process were not without problems and, in some cases, raise questions about the reasonableness of specific recommendations. For example, we found that

-- because the Navy's process stressed the reduction of excess capacity, there were cases where a base was recommended for closure, even though its military value was rated higher than bases that remained open;

¹Military Bases: Analysis of DOD's Recommendations and Selection Process for Closures and Realignments (GAO/NSIAD-93-172, Apr. 15, 1993).

moving from General Services Administration facilities into newly constructed DOD facilities. In addition, hospital closures could also increase government Medicare costs.

BACKGROUND

The United States is closing and realigning military bases as part of its efforts to downsize and restructure its forces and reduce defense spending. To ensure that this process is fair, Congress enacted the Defense Base Closure and Realignment Act of 1990. The act established an independent commission, the Defense Base Closure and Realignment Commission, and specified procedures the President, DOD, GAO, and the Commission must follow, through 1995, to close and realign bases. Under these procedures, the Secretary of Defense on March 12, 1993, recommended 165 closures, realignments, and other actions affecting bases within the United States.

The 1993 round of closures and realignments is the second of three rounds required by the act. In the first round, in 1991, DOD recommended the closure of 43 bases and the realignment of 28 others. The Commission made several adjustments to DOD's list and proposed 34 closures and 48 realignments. The President and Congress accepted the Commission's recommendations.

For the current round, Congress retained basically the same requirements and procedures as in 1991. As before, the Secretary's

recommendations were to be based on selection criteria established by DOD and on a 6-year force structure plan. However, Congress added a new requirement that DOD certify the data it presented to ensure its accuracy.

The eight selection criteria, which remained unchanged from 1991, include four related to the military value of the installations and four that address the number of years needed to recover the costs of closure and realignment; the economic impact on communities; the ability of both the existing and potential receiving communities' infrastructure to support forces, missions, and personnel; and the environmental impact. DOD guidance to the military services and defense agencies directed that they give priority to the four military value criteria.

The force structure plan is the "base force" for fiscal years 1994 to 1999 developed under the Bush administration. Major elements of the plan include 12 active Army divisions, 12 Navy carriers, and 1,098 active Air Force fighter aircraft.

OSD relied on the military services and defense agencies to select bases for possible closure or realignment and established guidance concerning their selection processes. The components submitted their proposed closures and realignments to OSD in February 1993, and the Secretary of Defense made some revisions to these before transmitting his recommendations to the Commission.

IMPROVEMENTS NEEDED IN OSD'S OVERSIGHT AND REVIEW PROCESSES

OSD has overall responsibility for overseeing the processes the military services and defense agencies use to develop their closure and realignment recommendations. The office also reviews those recommendations and forwards them to the Defense Base Closure and Realignment Commission. Our evaluation of OSD's role in overseeing the process shows that while OSD provided guidance, it was not actively involved in monitoring the process.

Had OSD been more involved, certain problems could have been avoided. For example, the military services, at OSD's direction, were to consider opportunities for reducing excess depot maintenance capacity. However, the process quickly broke down because, in large part, OSD did not provide the leadership needed to overcome service parochialism. In the end, an opportunity was missed to look at depot maintenance closures on a cross-service basis. In another case, OSD did not review the application of the cost model used by the various DOD components. DLA misapplied the model in a number of cases, which caused the agency to significantly overstate its savings estimates.

We also assessed OSD's review of the components' recommendations and related issues and generally agreed with the actions that were taken. However, we found that the standards OSD used to assess cumulative economic impact were subjectively developed and not

supportable. Consequently, the Secretary's removal of McClellan Air Force Base from the Air Force's recommended closure list based on the cumulative economic analysis is not supported. For example, OSD subjectively established standards for an unacceptable cumulative economic impact as a job loss of 5 percent and an employment population of 500,000 or more. However, OSD was unable to explain why Oakland, California's job loss of 4.9 percent with a workforce of over 1 million was acceptable. Similarly it was unclear why Charleston, South Carolina, with an employment population of 243,000 and a 15.3 percent, job loss was acceptable.

DOD COMPONENTS' PROCESSES AND
RECOMMENDATIONS WERE GENERALLY
SOUND, BUT SOME PROBLEMS EXIST

Navy

The Navy recommended by far the largest number of closures and realignments, affecting 28 major bases. The Navy's recommendations and selection process were generally sound and well documented. The data, with the exception of information gathered in the final phases of the selection process, was validated by the Naval Audit Service.

Our review showed the selections were driven by an overarching goal of reducing excess capacity among categories of bases--shipyards and air stations, for example--while considering military value. This process also relied heavily on the acceptance of certain

assumptions and military judgments. For example, in the case of the Navy shipyards, an analysis of the Navy's data showed that because of the Navy's assumptions about the need for a certain amount of capacity to handle an estimated nuclear work load, Charleston shipyard was recommended for closure, even though it was rated as having a higher military value than other bases that remained open.

Generally, the Navy developed a return-on-investment analysis only for configurations of bases that were selected for closure and realignment. Greater savings may have resulted from alternative scenarios, as was the case for the Naval Aviation Depot category where the Navy did consider an alternative scenario.

Army

The Army proposed closure and realignment actions that will affect seven bases. We found the recommendations and selection process were well documented, and the data was audited by the Army Audit Agency. However, the decision not to recommend closing Fort Monroe was not adequately justified. In particular, the use of environmental cleanup cost as a justification should not be a prime consideration because environmental restoration cost is not to be included as a basis for closure. DOD is responsible for these costs whether a base closes or not. In addition, the Army recommended closure of the Presidio of Monterey, home of the

Defense Language Institute. The recommendation included moving the Institute to Fort Hauchuca and contracting with a University to provide language training. This recommendation was removed from the closure list by the Secretary of Defense because of intelligence community concerns that the move would disrupt the flow of linguists to national security missions. We found that there are conflicting points of view within DOD on this issue and that certain elements of the cost and savings projections raise questions.

Air Force

The Air Force recommended closures and realignments affecting seven bases. Our review shows the recommendations appear to be generally sound. However, the judgments that were made in the final stages of the selection process for certain categories of bases were not well documented. For example, in the case of K.I. Sawyer Air Force Base, Michigan, the Air Force documentation showed that the base's military value was rated medium; however, it was grouped with bases given the lowest rating and ultimately selected for closure. We could not understand the basis for placing the base in the lowest category until we had discussions with Air Force officials involved in the final stages of the selection process who told us it was because of significant cost savings. Without additional information, the Commission would have difficulty understanding the basis for these and several other decisions.

Defense Logistics Agency

DLA recommended closures and realignments affecting 14 installations. Cost, rather than military value, was the primary determinant in these decisions. We found the selection process was well documented. However, some errors were made in applying the DOD cost and savings model. As a result, savings were overstated. For example, the estimated savings for realignment of the Defense Personnel Support Center and Defense Industrial Supply Center decreased from about \$474.8 million to \$139.9 million.

Defense Information Systems Agency

The Defense Information Systems Agency recommended actions to consolidate existing facilities into 15 centers. We found the process was well documented. However, data accuracy problems exist. DOD is working to correct these and believes they should not affect the validity of its recommendations.

SAVINGS ARE SUBSTANTIAL BUT DO NOT INCLUDE GOVERNMENTWIDE COSTS

We found that DOD has made improvements to the model it uses to estimate the return on investment of its closure and realignment decisions. However, we found opportunities for improvements still exist. For example, DOD continues to restrict costs and savings solely to DOD, even though its actions have cost implications for

other federal agencies. We recommended in the past that DOD consider the governmentwide implications of its recommendations. In addition, DOD did not adjust overhead rates used in the model to reflect the difference between DLA and the services.

Our revised estimate of the savings shows a reduction of about \$940 million from DOD's \$12.8 billion savings estimate for the major bases for the 20-year return-on-investment period. Our estimate does not include any governmentwide cost implications.

Lastly, although not a cost attributable to closure decisions, the services' initial estimates for environmental cleanup costs at the recommended bases are currently estimated at about \$725 million.

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Our report includes suggestions to improve the process. Mr. Chairman, this concludes my testimony. I would be happy to respond to any questions.

(398137)

THE DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION

BIOGRAPHICAL INFORMATION

Jim Courter has been Chairman of the Defense Base Closure and Realignment Commission since 1991. Prior to that, he represented the 12th district of New Jersey in the U.S. House of Representatives from 1979 until 1991. While in Congress, Congressman Courter chaired the House Military Reform Caucus and served on the following subcommittees of the House Armed Services Committee: Military Installations and Facilities, Procurement and Military Nuclear Systems and Research and Development. In 1987, he was appointed to the joint select committee charged with investigating the diversion of funds to the Nicaraguan democratic opposition in the so-called "Iran-Contra Affair." Chairman Courter is senior partner of the law firm he founded, Courter, Kobert, Laufer, Purcell, and Cohen, in Hackettstown, New Jersey.

Peter B. Bowman is a Vice-President for Quality Assurance for Gould, Inc., a diversified manufacturing company in Newburyport, Massachusetts. A career naval officer, Mr. Bowman attended the U.S. Naval Nuclear Power School and the Naval Submarine School. He served aboard three separate nuclear submarines and later at Pearl Harbor Naval Shipyard. After tours at the Naval Sea Systems Command and Mare Island Naval Shipyard and 30 years service, he retired in 1990 as the shipyard commander at Portsmouth Naval Shipyard. Mr. Bowman was an instructor for the Center for Naval Analysis at the Naval Postgraduate School from 1990 through 1991.

Beverly B. Byron was a Member of the U.S. House of Representatives representing the 6th District of Maryland from 1978 until January 1993. While in Congress, she served as Chairman of the Military Personnel and Compensation Subcommittee of the House Armed Services Committee. In this capacity, Congresswoman Byron directed congressional oversight for 42 percent of the U.S. defense budget and played a key role in overseeing the drawdown of U.S. forces overseas. She also served on the Committee's Research and Development Subcommittee. From 1983-86, Mrs. Byron chaired the House Special Panel on Arms Control and Disarmament and served from 1980-87 on the U.S. Air Force Academy Board of Visitors.

Rebecca G. Cox is Vice President for Government Affairs for Continental Airlines. Mrs. Cox formerly served as Assistant to the President and Director of the Office of Public Liaison for President Ronald Reagan. At the same time, she served as Chairman of the Interagency Committee for Women's Business Enterprise. Prior to her service in the White House, Mrs. Cox was Assistant Secretary for Government Affairs at the Department of Transportation. She had previously served at the Department of Transportation as Counselor to the Secretary. Mrs. Cox began her career in the U.S. Senate, where she was Chief of Staff to Senator Ted Stevens.

General Hansford T. Johnson, U.S. Air Force (Retired) served in the Air Force 33 years and was Commander-in-Chief of the U.S. Transportation Command and of the Air Mobility Command, leading these commands in Operation Desert Shield/Desert Storm. During his tenure, he served in South Vietnam, commanded the 22nd Bombardment Wing, was Deputy Chief of Staff for Operations of the Strategic Air Command, Vice Commander-in-Chief of Pacific Air Forces, Deputy Commander-in-Chief of the U.S. Central Command and Director of the Joint Staff of the Joint Chiefs of Staff. General Johnson is now Chief of Staff of the United Services Automobile Association.

Arthur Levitt, Jr. is Chairman of the Board at Levitt Media Company. He founded the American Business Conference, was a director of the President's Private Sector Survey on Cost Control, Chairman of the 1980 White House Small Business Conference and Chairman and Chief Executive Officer of the American Stock Exchange. Mr. Levitt served in the U.S. Air Force and is on the board of the Rockefeller Foundation. He has served on many government commissions in the interest of fostering overall U.S. economic development. He was a member of the Defense Base Closure and Realignment Commission in 1991.

Harry C. McPherson, Jr. is a partner in the law firm of Verner, Liipfert, Bernhard, McPherson and Hand in Washington, D.C. He served as Deputy Under Secretary of the Army for International Affairs and later as Assistant Secretary of State for Educational and Cultural Affairs. He then served as Special Counsel to President Lyndon B. Johnson. Mr. McPherson served in the U.S. Air Force and was President of the Federal City Council. He was General Counsel of the John F. Kennedy Center for the Performing Arts until 1991 and is currently Vice Chairman of the U.S. International Trade and Cultural Center Commission.

Robert D. Stuart, Jr. was U.S. Ambassador to Norway from 1984 to 1989 after serving as President, Chief Executive Officer, and Chairman of The Quaker Oats Company. Ambassador Stuart is President of Conway Farms, a real estate development company. He is also a director of the Atlantic Council, the Washington Center and the Center for Strategic and International Studies. Previously, he was President of the Council of American Ambassadors and Vice Chairman of the Illinois Commission on the Future of Public Service. He served in the U.S. Army in Europe during World War II. He was also a member of the Defense Base Closure and Realignment Commission in 1991.

DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION

MEDIA ADVISORY

FOR IMMEDIATE RELEASE
April 15, 1993
93-19

Contact: Tom Houston
Chris Cimko
(703) 696-0504

COMMISSION HOLDS REGIONAL HEARINGS IN MID-ATLANTIC REGION

April 20, 10:00 - 11:50 a.m. and 1:30 - 5:15 p.m.

April 21, 10:00 a.m.- 12:20 p.m. and 2:10 - 3:10 p.m.

GUNSTON ARTS CENTER
Theatre #1
2700 South Lang Street
Arlington. VA

The following is a projected agenda, including witnesses and installations to be discussed:

Tuesday, April 20

| | |
|--|---------------|
| Governor Douglas Wilder | |
| Senator Charles Robb | 10:00 - 10:20 |
| Senator John Warner | |
| Naval Aviation Depot Norfolk, Norfolk, VA | 10:20 - 11:20 |
| Naval Undersea Warfare Center Norfolk Detachment, Norfolk, VA | 11:20 - 11:50 |
| Press Availability | 11:50 - 12:10 |
| Lunch | 12:10 - 1:30 |
| Vint Hill Farms, Warrenton, VA | 1:30 - 2:00 |
| Fort Belvoir, Alexandria, VA | 2:00 - 2:15 |
| Naval Facilities Engineering Command, Alexandria, VA | 2:15 - 2:30 |
| Naval Sea Systems Command, Arlington, VA | 2:30 - 3:30 |
| Naval Air Systems Command, Arlington, VA | 3:30 - 4:30 |
| Bureau of Navy Personnel, Arlington, VA | 4:30 - 5:00 |
| Naval Supply Systems Command, Arlington, VA | 5:00 - 5:15 |

-more-

Wednesday, April 21

| | |
|---|-------------------|
| Governor Donald Schaefer | 10:00 - 10:10 |
| Naval Electronic Systems Engineering Center, St. Inigoes, MD | 10:10 - 10:40 |
| Naval Surface Warfare Center, Annapolis, MD | 10:40 - 10:55 |
| Naval Security Group Station, Washington, D.C. | 10:55 - 11:25 |
| Naval Computer and Telecommunications Station, Washington, D.C. | 11:25 - 11:40 |
| Naval Security Group Command, Washington, D.C. | 11:40 - 11:55 |
| Naval Electronic Security Systems Engineering Center, Washington, D.C. | 12:05 - 12:20 |
| Press Availability | 12:20 - 12:40 |
| Lunch | 12:40 - 2:10 |
| Letterkenny Army Depot, Chambersburg, PA | 2:10 - 2:40 |
| Defense Distribution Depot Letterkenny Chambersburg, PA | 2:40 - 2:55 |

Please Note Times are Approximate and Subject to Change

COMMISSION VISITS AS OF 15 APR 93

| | |
|--------|--|
| 16 APR | NADEP NORFOLK NUWC NORFOLK |
| 17 APR | NESEC ST. INIGOES, MD NAS MEMPHIS |
| 22 APR | TOOELE ARMY DEPOT |
| 23 APR | NTC ORLANDO NAVHOSP ORLANDO NAS CECIL FIELD PUBLIC WORKS CTR SAN FRANCISCO FLEET AND INDUSTRIAL SUPPORT CTR OAKLAND NAVHOSP OAKLAND NAVAL PG SCHOOL PRESIDIO, MONTERREY FORT ORD |
| 24 APR | NADEP ALAMEDA MARE ISLAND SHIPYARD McCLELLAND AFB TOOELE ARMY DEPOT |
| 27 APR | O'HARE (AF RESERVE) |
| 28 APR | NTC SAN DIEGO MCAS EL TORO MARCH AFB |
| 29 APR | NAS GLENVIEW |
| 1 MAY | CHARLESTON SHIPYARD CHARLESTON NAVAL STATION |
| 3 MAY | NAS S. WEYMOUTH |
| 4 MAY | NETC NEWPORT SUBBASE NEW LONDON |
| 7 MAY | NAS MERIDIAN |
| 13 MAY | NTC GREAT LAKES |

April 1993

DBCRC HEARINGS

SUNDAY

MONDAY

TUESDAY

WEDNESDAY

THURSDAY

FRIDAY

SATURDAY

| | | | | | | |
|---|---|---|---|----|--|--|
| | | | | 1 | 2 | 3 |
| 4 | 5 10:00am-4:00pm Strategic Defense; Family and Retirees/1100 LHOB | 6 | 7 | 8 | 9 | 10 |
| 11 | 12 10:00am-4:00pm Economic Issues/1100 LHOB | 13 | 14 | 15 | 16 | 17 |
| 18 | 19 10:00am-4:00pm GAO Hearing/ Room TBD | 20 10:00am-4:00pm National Capital Region Regional Hearing | 21 10:00am-4:00pm National Capital Region Regional Hearing | 22 | 23 Northern California Base Visits | 24 Northern California Base Visits |
| 25 12:00-4:00pm Oakland, CA Regional Hearing | 26 9:00am-3:00pm Oakland, CA Regional Hearing | 27 9:00am-5:00pm San Diego, CA Regional Hearing | 28 Southern CA Base Visits | 29 | 30 | |

March

| S | M | T | W | T | F | S |
|----|----|----|----|----|----|----|
| | 1 | 2 | 3 | 4 | 5 | 6 |
| 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| 14 | 15 | 16 | 17 | 18 | 19 | 20 |
| 21 | 22 | 23 | 24 | 25 | 26 | 27 |
| 28 | 29 | 30 | 31 | | | |

May

| S | M | T | W | T | F | S |
|----|----|----|----|----|----|----|
| | | | | | | 1 |
| 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| 23 | 24 | 25 | 26 | 27 | 28 | 29 |
| 30 | 31 | | | | | |

3/14/1993

May 1993

DBCRC HEARINGS

SUNDAY

MONDAY



TUESDAY

WEDNESDAY

THURSDAY

FRIDAY

SATURDAY

| | | | | | | |
|--|---|--|--|-----------|---|--|
| | | | | | | 1 8:00am- 12:00pm Charleston, SC Base Visit 1:00-5:00pm Charleston Regional |
| 2 1:00-5:00pm Charleston, SC Regional Hearing | 3 9:00am-5:00pm Orlando, FL Regional Hearing | 4 9:00am-5:00pm Birmingham, AL Regional Hearing | 5 | 6 | 7 | 8 |
| 9 12:00-5:00pm NYC Regional Hearing | 10 9:00am-3:00pm NYC Regional Hearing | 11 9:00am-1:00pm Boston, MA Regional Hearing | 12 9:00am-5:00pm Detroit, MI Regional Hearing | 13 | 14 Poss. Menu of Options Hearing Date | 15 |
| 16 | 17 | 18 | 19 | 20 | 21  Menu of Options Delibera- tion Hearing/ Vote | 22  Menu of Options Votes (if necessary) |
| 23 | 24 | 25 | 26 | 27 | 28 | 29 |
| 30 | 31 | | | | | |

April



















| | | | | | | |
|----|----|----|----|----|----|----|
| S | M | T | W | T | F | S |
| | | | | 1 | 2 | 3 |
| 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| 18 | 19 | 20 | 21 | 22 | 23 | 24 |
| 25 | 26 | 27 | 28 | 29 | 30 | |

June

| | | | | | | |
|----|----|----|----|----|----|----|
| S | M | T | W | T | F | S |
| | | | 1 | 2 | 3 | 4 |
| 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| 12 | 13 | 14 | 15 | 16 | 17 | 18 |
| 19 | 20 | 21 | 22 | 23 | 24 | 25 |
| 26 | 27 | 28 | 29 | 30 | | |

June 1993

DBCRC HEARINGS

| SUNDAY | MONDAY | TUESDAY | WEDNESDAY | THURSDAY | FRIDAY | SATURDAY |
|---|---|---|---|---|--|---|
| | | 1  Menu of Options Base Visits and Hearings | 2  Menu of Options Base Visits and Hearings | 3  Menu of Options Base Visits and Hearings | 4  Menu of Options Base Visits and Hearings | 5  Menu of Options Base Visits and Hearings |
| 6  Menu of Options Base Visits and Hearings | 7  Menu of Options Base Visits and Hearings | 8  Menu of Options Base Visits and Hearings | 9  Menu of Options Base Visits and Hearings | 10  Menu of Options Base Visits and Hearings | 11  Menu of Options Base Visits and Hearings | 12 |
| 13 | 14 Congressional Hearings | 15 Congressional Hearings | 16 Congressional Hearings (if necessary) | 17  Delibera- tion Hearings | 18  Delibera- tion Hearings | 19 |
| 20 | 21 | 22 | 23  Delibera- tion Hearings | 24  Delibera- tion Hearings | 25  Delibera- tion Hearings | 26  Delibera- tion Votes |
| 27  Delibera- tion Vote | 28 | 29 | 30 | | | |

May

| S | M | T | W | T | F | S |
|----|----|----|----|----|----|----|
| | | | | | | 1 |
| 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| 23 | 24 | 25 | 26 | 27 | 28 | 29 |
| 30 | 31 | | | | | |

July

| S | M | T | W | T | F | S |
|----|----|----|----|----|----|----|
| | | | | 1 | 2 | 3 |
| 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| 18 | 19 | 20 | 21 | 22 | 23 | 24 |
| 25 | 26 | 27 | 28 | 29 | 30 | 31 |

THE DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION

THE KEY DATES

The following deadlines are set forth in "The Defense Base Closure and Realignment Act of 1990" (P.L. 101-510, November 5, 1990, Title XXIX, as amended).

| | |
|---------------|---|
| JANUARY 25 | The President has until this date to nominate individuals for Commission membership. |
| MARCH 15 | The Defense Secretary transmits his recommendations to the Defense Base Closure and Realignment Commission no later than this date. |
| APRIL 15 | The General Accounting Office must issue a report to the Commission and the Congress analyzing the Defense Department recommendations and selection process. |
| JUNE 1 | Any possible additions by the Commission to the Defense Secretary's list must be published in the <i>Federal Register</i> no later than this date. |
| JULY 1 | The Commission must issue its report to the President. |
| JULY 15 | The President must either approve the Commission's recommendations and forward them to Congress or return them to the Commission with his reasons for disapproval. If the recommendations are sent to Capitol Hill, Congress has 45 <i>legislative</i> days to pass a motion of disapproval in both houses, or the Commission's report becomes law. |
| (AUGUST 15) | If the President disapproves of its report, the Commission must re-submit its recommendations by this date. |
| (SEPTEMBER 1) | This date represents the President's final opportunity to approve the Commission's recommendations and forward them to Congress. If he disapproves, the 1993 round of base closures and realignments comes to an end. |

COBRA TECHNICAL CORRECTIONS

Activity: NAVSTA Treasure Island

- **ROI Data (Navy Report):**

| <u>ROI Years</u> | <u>One-Time Costs</u> | <u>Steady-State Savings</u> | <u>20 Year NPV</u> |
|----------------------|---------------------------|---------------------------------|------------------------|
| Immediate | \$33.7M | \$43.1M | -\$330.7M |

- **Corrections Required:**

Final certified data (for CNET tenants) increased number of billets eliminated by 51 and number of billets relocated by 55, as well as modifying the number of tons of equipment to be relocated.

- **Revised ROI Data:**

| <u>ROI Years</u> | <u>One-Time Costs</u> | <u>Steady-State Savings</u> | <u>20 Year NPV</u> |
|----------------------|---------------------------|---------------------------------|------------------------|
| Immediate | \$30.9M | \$44.5M | -\$358.5M |

COBRA TECHNICAL CORRECTIONS

Activity: SUBASE New London

- ROI Data (Navy Report):**

| <u>ROI Years</u> | <u>One-Time Costs</u> | <u>Steady-State Savings</u> | <u>20 Year NPV</u> |
|----------------------|---------------------------|---------------------------------|------------------------|
| Immediate | \$260M | \$74.6M | -\$502.7M |

- Corrections Required:**

Community Infrastructure Costs at Kings Bay (\$46M) originally briefed to the BSEC but erroneously excluded from final COBRA run. Final certified data revised numbers of billets eliminated (i.e., refining estimate of personnel required to support training establishment, etc.); decreasing steady-state savings assoc. w/salaries and overhead:

| | No. of Eliminated Positions/Billets | | |
|-----------|-------------------------------------|----------------|-----------------------------|
| | <u>Original</u> | <u>Revised</u> | <u>Difference</u> |
| Officers | 257 | 126 | -131 (@ \$72K per billet) |
| Enlisted | 1154 | 1545 | +391 (@ \$34K per billet) |
| Civilians | 610 | 371 | -239 (@ \$46K per position) |

- Revised ROI Data:**

| <u>ROI Years</u> | <u>One-Time Costs</u> | <u>Steady-State Savings</u> | <u>20 Year NPV</u> |
|----------------------|---------------------------|---------------------------------|------------------------|
| 2 Years | \$300.6M | \$68.3M | -\$319M |

COBRA TECHNICAL CORRECTIONS

Activity: NAS South Weymouth

- ROI Data (Navy Report):

| <u>ROI Years</u> | <u>One-Time Costs</u> | <u>Steady-State Savings</u> | <u>20 Year NPV</u> |
|----------------------|---------------------------|---------------------------------|------------------------|
| Immediate | \$23M | \$25.9M | -\$252.1M |

- Corrections Required:

COBRA data provided in Navy report still included approximately \$15.5M in hangar-related MILCON requirements at NAS Jacksonville. This requirement has been deleted as discussed during 19 Feb BSEC deliberations.

- Revised ROI Data:

| <u>ROI Years</u> | <u>One-Time Costs</u> | <u>Steady-State Savings</u> | <u>20 Year NPV</u> |
|----------------------|---------------------------|---------------------------------|------------------------|
| Immediate | \$7.4M | \$26.1M | -\$269.3M |

COBRA TECHNICAL CORRECTIONS

Activity: NAVSTA Staten Island

- **ROI Data (Navy Report):**

| <u>ROI Years</u> | <u>One-Time Costs</u> | <u>Steady-State Savings</u> | <u>20 Year NPV</u> |
|----------------------|---------------------------|---------------------------------|------------------------|
| Immediate | -\$1.7M | \$58.5M | -\$660.9M |

- **Corrections Required:**

Final certified data deleted requirement for 145 unit family housing construction requirement at NAVSTA Norfolk. This decreases one-time costs by \$15M and slightly increases steady-state savings.

- **Revised ROI Data:**

| <u>ROI Years</u> | <u>One-Time Costs</u> | <u>Steady-State Savings</u> | <u>20 Year NPV</u> |
|----------------------|---------------------------|---------------------------------|------------------------|
| Immediate | -16.7M | \$58.6M | -\$675.7M |

COBRA TECHNICAL CORRECTIONS

Activity: NETC Newport

- **ROI Data (Navy Report):**

| <u>ROI Years</u> | <u>One-Time Costs</u> | <u>Steady-State Savings</u> | <u>20 Year NPV</u> |
|----------------------|---------------------------|---------------------------------|------------------------|
| 2 Years | \$23.5M | \$4.3M | -\$20.3M |

- **Corrections Required:**

Final certified data reduces NAVSTA Norfolk family housing construction requirement from 134 units to 40 units.

- **Revised ROI Data:**

| <u>ROI Years</u> | <u>One-Time Costs</u> | <u>Steady-State Savings</u> | <u>20 Year NPV</u> |
|----------------------|---------------------------|---------------------------------|------------------------|
| Immediate | \$13.8M | \$4.3M | -\$29.8M |

COBRA TECHNICAL CORRECTIONS

Activity: NAVSTA Mobile

- ROI Data (Navy Report):

| <u>ROI Years</u> | <u>One-Time Costs</u> | <u>Steady-State Savings</u> | <u>20 Year NPV</u> |
|----------------------|---------------------------|---------------------------------|------------------------|
| Immediate | \$4.4M | \$15.8M | -\$182.9M |

- Corrections Required:

Data submission did not follow BSEC direction to move FFT 1089 and FFT 1097 to Ingleside. Instead, billets associated with these two ships were identified as eliminated, and counted as savings. COBRA data has been revised to show costs to relocate personnel associated with these ships to Ingleside, increasing one-time costs and reducing steady-state savings.

- Revised ROI Data:

| <u>ROI Years</u> | <u>One-Time Costs</u> | <u>Steady-State Savings</u> | <u>20 Year NPV</u> |
|----------------------|---------------------------|---------------------------------|------------------------|
| Immediate | \$4.9M | \$8.4M | -\$103.4M |

COBRA TECHNICAL CORRECTIONS

Activity: PWC San Francisco

- **ROI Data (Navy Report):**

| <u>ROI Years</u> | <u>One-Time Costs</u> | <u>Steady-State Savings</u> | <u>20 Year NPV</u> |
|----------------------|---------------------------|---------------------------------|------------------------|
| Immediate | \$37.5M | \$27.1M | -\$180.2M |

- **Corrections Required:**

1,831 civilian employees were erroneously doublecounted in COBRA as students, thus understating overhead savings associated with closing the PWC.

- **Revised ROI Data:**

| <u>ROI Years</u> | <u>One-Time Costs</u> | <u>Steady-State Savings</u> | <u>20 Year NPV</u> |
|----------------------|---------------------------|---------------------------------|------------------------|
| Immediate | \$37.5M | \$33.9M | -\$225.0M |

COBRA TECHNICAL CORRECTIONS

Activity: Aviation Training Scenario (NAS Memphis/NAS Meridian)

- ROI Data (Navy Report):

| <u>ROI Years</u> | <u>One-Time Costs</u> | <u>Steady-State Savings</u> | <u>20 Year NPV</u> |
|----------------------|---------------------------|---------------------------------|------------------------|
| 2 Years | \$274.1M | \$82.2M | -\$481.1 |

- Corrections Required:

Revision deletes \$7M MILCON cost avoidance associated with T-45 construction project which is already underway at Meridian (changes 20 Year NPV).

- Revised ROI Data:

| <u>ROI Years</u> | <u>One-Time Costs</u> | <u>Steady-State Savings</u> | <u>20 Year NPV</u> |
|----------------------|---------------------------|---------------------------------|------------------------|
| 2 Years | \$274.1M | \$82.2M | -\$474.3 |

COBRA TECHNICAL CORRECTIONS

Activity: NUWC Norfolk

- **ROI Data (Navy Report):**

| <u>ROI Years</u> | <u>One-Time Costs</u> | <u>Steady-State Savings</u> | <u>20 Year NPV</u> |
|----------------------|---------------------------|---------------------------------|------------------------|
| 4 Years | \$18.2M | \$6.1M | -\$38.5M |

- **Corrections Required:**

Corrects identification in COBRA of \$0.4M in travel savings and \$1.3M in lease costs (engineering and warehouse space at Newport) which were mistakenly entered as only occurring in one year rather than as recurring costs/savings. Retains rather than eliminates 9 billets located at Ft. Story which will still be needed to run the Ships Electronics Systems Evaluation Facility.

- **Revised ROI Data:**

| <u>ROI Years</u> | <u>One-Time Costs</u> | <u>Steady-State Savings</u> | <u>20 Year NPV</u> |
|----------------------|---------------------------|---------------------------------|------------------------|
| 4 Years | \$18.0M | \$5.0M | -\$31.4M |

COBRA TECHNICAL CORRECTIONS

SUMMARY STATISTICS (\$ Millions)

| | <u>One-Time Costs</u> | <u>Steady-State Savings</u> | <u>20 Year NPV</u> |
|--------------|---------------------------|---------------------------------|------------------------|
| Navy Report: | \$4,676 | \$1,637 | -\$11,205 |
| Revised: | \$4,660 | \$1,630 | -\$11,053 |

Administrative Activities

NAVMAC

| % Major Customer |
|-----------------------|
| 30 OPNAV |
| 15 SUPERS |
| 15 Fleet |
| 15 Manpower Claimants |
| 5 COMNAVRESFOR |

| Work Years |
|------------------------------|
| Capacity: 360 |
| Projected Req.: 154 |
| Pr. Req. with Clearance: 154 |
| % Excess Capacity: 57.2% |

MC Support Act. Kansas City

| % Major Customer |
|---------------------------------|
| 30 Defense Finance & Accounting |
| 20 Defense Information & Tech. |
| 20 MC Support Support Computer |
| 5 Manpower Info. Systems |

| Work Years |
|------------------------------|
| Capacity: 1020 |
| Projected Req.: 530 |
| Pr. Req. with Clearance: 530 |
| % Excess Capacity: 48.0% |

MCD New York

| % Major Customer |
|---------------------------|
| 15 RS Western New England |
| 15 RS Eastern New England |
| 15 RS New York |
| 15 RS Albany |
| 15 RS Buffalo |

| Work Years |
|----------------------------|
| Capacity: 104 |
| Projected Req.: 0 |
| Pr. Req. with Clearance: 0 |
| % Excess Capacity: 100.0% |

AVCONBRIG

| % Major Customer |
|------------------|
| 84 Navy |
| 10 Army |
| 5 Air Force |
| 0.5 Marine Corps |
| 0.5 Coast Guard |

| Work Years |
|------------------------------|
| Capacity: 281 |
| Projected Req.: 197 |
| Pr. Req. with Clearance: 197 |
| % Excess Capacity: 2.8% |

Marine Barracks

| % Major Customer |
|--------------------------|
| 60 HQ Marine Corps |
| 15 MC Institute Students |
| 15 White House |
| 10 MPM Washington |

| Work Years |
|-------------------------------|
| Capacity: 1213 |
| Projected Req.: 1169 |
| Pr. Req. with Clearance: 1169 |
| % Excess Capacity: 3.6% |

Navy Admin Unit, Seattle New York

| % Major Customer |
|------------------------------|
| 70 Naval Mac Power Trng Unit |
| 0 DECA |
| 0 REDCOM 2 |
| 4 PSD Seattle |
| 4 RECRUITCOM Area 1 |

| Work Years |
|-----------------------------|
| Capacity: 26 |
| Projected Req.: 27 |
| Pr. Req. with Clearance: 26 |
| % Excess Capacity: 0.0% |

AVCRUIT Area 3

| % Major Customer |
|---------------------------|
| 70 Navy Recruit Districts |
| 30 COMNAVRECRUITCOM |

| Work Years |
|-----------------------------|
| Capacity: 43 |
| Projected Req.: 39 |
| Pr. Req. with Clearance: 39 |
| % Excess Capacity: 9.3% |

HO BN, HMC

| % Major Customer |
|--------------------------|
| 70 HQ Marine Corps |
| 10 Headquarters |
| 10 Battalion |
| 5 Other MC in Wash. D.C. |
| 5 Navy Personnel FORB |

| Work Years |
|------------------------------|
| Capacity: 291 |
| Projected Req.: 299 |
| Pr. Req. with Clearance: 299 |
| % Excess Capacity: -2.7% |

Navy Admin Unit, Idaho Falls

| % Major Customer |
|------------------|
| 00 INPTU |
| 1 AS DoD in area |
| 1 Railroad |

| Work Years |
|-----------------------------|
| Capacity: 31 |
| Projected Req.: 31 |
| Pr. Req. with Clearance: 31 |
| % Excess Capacity: 0.0% |

Temp South

| % Major Customer |
|------------------|
| 40 CG FMFPAC |
| 30 CINCPAC |
| 4 MAS FMFPAC |
| 2 JTF Far East |
| 2 ROC PAC |

| Work Years |
|------------------------------|
| Capacity: 274 |
| Projected Req.: 327 |
| Pr. Req. with Clearance: 327 |
| % Excess Capacity: -19.3% |

Naval Support Activity, New Orleans

| % Major Customer |
|--------------------------------|
| 30 COMNAVRESFOR |
| 20 MARCORRESFOR |
| 12 SUPRECOM |
| 10 SPMAC |
| 5 Naval Computer and Tel. Sta. |

| Work Years |
|------------------------------|
| Capacity: 406 |
| Projected Req.: 373 |
| Pr. Req. with Clearance: 373 |
| % Excess Capacity: 8.1% |

U.S. Naval Observatory

| % Major Customer |
|---------------------------------|
| 70 In House Scientific Dept. |
| 10 Observatory Data |
| 5 Flag Quarters |
| 5 DMA ITC/CNO (N996) |
| 5 Vice President/Secret Service |

| Work Years |
|-----------------------------|
| Capacity: 129 |
| Projected Req.: 86 |
| Pr. Req. with Clearance: 86 |
| % Excess Capacity: 33.3% |

Notes: Reflects corrections to transcription errors on work year capacities and projections.

ORIGINAL NUMBERS

Naval R4 & Training Program, Pensacola

| % Major Customer |
|----------------------------|
| 60 CNET Commandery |
| 5 CNET HDO |
| 11 Federal Prison, Seaford |
| 2 Seaford Field Township |
| 20 Navy |

| Work Years |
|------------------------------|
| Capacity: 839 |
| Projected Req.: 684 |
| Pr. Req. with Clearance: 684 |
| % Excess Capacity: 18.1% |

4064
3503
3503
1582

National Capital Region Configuration Analysis

| Available Office Space | | | | | |
|------------------------|--------------|------------|--------------|--------------|------------|
| Agency | Leased Space | Govt Owned | Leased Space | Leased Space | Govt Owned |
| SECNAV | 215,217 | 207,623 | 0 | 0 | 0 |
| OPNAV | 426,892 | 437,497 | 0 | 0 | 0 |
| OCFM | 0 | 42,286 | 0 | 0 | 0 |
| IPO | 0 | 23,493 | 0 | 0 | 0 |
| I&L | 0 | 128,991 | 0 | 0 | 0 |
| CCPO | 9,880 | 58,847 | 0 | 0 | 0 |
| NRCC | 28,323 | 29,823 | 0 | 0 | 0 |
| OGC | 0 | 38,989 | 0 | 0 | 0 |
| NCIS | 142,730 | 151,280 | 0 | 0 | 0 |
| JAG | 34,772 | 88,193 | 0 | 0 | 0 |
| AUDIT | 1,668 | 35,874 | 0 | 0 | 0 |
| SECGRUS | 0 | 0 | 0 | 0 | 0 |
| MIL MNPWR | 0 | 0 | 0 | 21,784 | 0 |
| SECGRUD | 0 | 0 | 0 | 0 | 0 |
| SECGRU | 0 | 0 | 0 | 0 | 0 |
| FOOD SYS | 0 | 0 | 0 | 0 | 0 |
| DEF PRINT | 0 | 0 | 0 | 0 | 0 |
| TAC SPPRT | 0 | 0 | 0 | 0 | 0 |
| SSP | 86,047 | 0 | 86,047 | 0 | 0 |
| FIELD OPS | 22,889 | 29,314 | 52,203 | 0 | 0 |
| NAVSUP | 0 | 0 | 0 | 98,316 | 0 |
| SPAWAR | 198,188 | 228,059 | 510,167 | 0 | 0 |
| M&RA/O | 0 | 0 | 0 | 35,408 | 108,855 |
| BUPERS | 0 | 0 | 0 | 31,000 | 458,000 |
| Total | 888,378 | 2,228,735 | 3,069,113 | 1,888,374 | 1,465,810 |

NCTC 113,637

(1,579,447)

Remaining Leased Space:

Available Government Owned Space:

| |
|-----------|
| 1,465,810 |
| 1,579,447 |

(1,579,447)

Note: This chart reflects decision not to move NCTC from the NCR.

— : ORIGINAL NUMBERS

NTC CONFIGURATION SUMMARY

PRESENT CONFIGURATION

| | CAPACITY (# of Personnel) | | | | | |
|----------------------|---------------------------|---------|---------|---------|----------|---------|
| | MV | MV DIFF | TRAINER | MESSING | BERTHING | |
| SAN DIEGO | 51.40 | -2.40 | 180 | 12200 | 10408 | 11136 |
| GREAT LAKES | 55.80 | 1.80 | 1387 | 18560 | 18322 | |
| ORLANDO | 54.40 | 0.80 | 284 | 21400 | 16323 | |
| TOTAL CAPACITY | 53.80 | 0.00 | 1851 | 50160 | 46143 | (46781) |
| REQUIREMENT 1999 | | | 890 | 16484 | 20221 | 20171 |
| 80% REQUIREMENT 1999 | | | 782 | 13185 | 16177 | (16137) |
| EXCESS | | | 861 | 33676 | 25962 | (26610) |
| EXCESS FROM 80% RQMT | | | 1069 | 36965 | 28968 | (30644) |

CLOSE NTC SAN DIEGO

| | CAPACITY (# of Personnel) | | | | | |
|----------------------|---------------------------|---------|---------|---------|----------|---------|
| | MV | MV DIFF | TRAINER | MESSING | BERTHING | |
| GREAT LAKES | 55.80 | 1.80 | 1387 | 18560 | 18322 | |
| ORLANDO | 54.40 | 0.80 | 284 | 21400 | 16323 | |
| TOTAL CAPACITY | 55.00 | 2.40 | 1671 | 37960 | 35645 | |
| REQUIREMENT 1999 | | | 890 | 16484 | 20221 | 20171 |
| 80% REQUIREMENT 1999 | | | 782 | 13185 | 16177 | (16137) |
| EXCESS | | | 889 | 21476 | 15468 | (15474) |
| EXCESS FROM 80% RQMT | | | 879 | 24785 | 19468 | (19508) |

CLOSE NTC ORLANDO

| | CAPACITY (# of Personnel) | | | | | |
|----------------------|---------------------------|---------|---------|---------|----------|---------|
| | MV | MV DIFF | TRAINER | MESSING | BERTHING | |
| SAN DIEGO | 51.40 | -2.40 | 180 | 12200 | 10408 | 11136 |
| GREAT LAKES | 55.80 | 1.80 | 1387 | 18560 | 18322 | |
| TOTAL CAPACITY | 53.50 | -0.80 | 1567 | 28760 | 20820 | (30458) |
| REQUIREMENT 1999 | | | 890 | 16484 | 20221 | 20171 |
| 80% REQUIREMENT 1999 | | | 782 | 13185 | 16177 | (16137) |
| EXCESS | | | 577 | 12576 | 8643 | (10257) |
| EXCESS FROM 80% RQMT | | | 775 | 15445 | 13643 | (14324) |

CLOSE 2 NTCs

| | CAPACITY (# of Personnel) | | | | | |
|----------------------|---------------------------|---------|---------|---------|----------|---------|
| | MV | MV DIFF | TRAINER | MESSING | BERTHING | |
| GREAT LAKES | 55.80 | 1.80 | 1387 | 18560 | 18322 | |
| ORLANDO | | | | | | |
| TOTAL CAPACITY | 55.80 | 1.80 | 1387 | 18560 | 18322 | |
| REQUIREMENT 1999 | | | 890 | 16484 | 20221 | 20171 |
| 80% REQUIREMENT 1999 | | | 782 | 13185 | 16177 | (16137) |
| EXCESS | | | 397 | 61 | -899 | (-844) |
| EXCESS FROM 80% RQMT | | | 595 | 3365 | 3145 | (3185) |

Reflects certified data call response updates to berthing capacity and requirement.

Revised (Note 1)

TECHNICAL CENTER CONFIGURATION ANALYSIS

| NAWC-WD China Lake | 821.8 | 5,080 | 1,482 | 868 | 4,014 | 1,545 | 70.28 | 83.08 | 72.21 | 14.7 | 11.4 | 57.73 | 5,506 | 75184 |
|--------------------------------------|-------|-------|-------|-----|-------|-------|--------|--------|--------|------|------|-------|--------|-------|
| NAWC-AD Patuxent River | 407.4 | 4,178 | 1,437 | 598 | 3,267 | 1,865 | 71.81 | 70.81 | 63.66 | 15.1 | 9.5 | 57.65 | 5,033 | 69659 |
| NSWC Keyport | 334.4 | 2,824 | 87 | 174 | 2,694 | 1,149 | 93.64 | 33.33 | 70.10 | 13.4 | 12.6 | 53.24 | 3,678 | 64825 |
| NSWC-WD Point Mugu | 782.0 | 3,633 | 1,282 | 316 | 3,053 | 1,093 | 72.05 | 80.33 | 73.64 | 13.7 | 11.2 | 52.95 | 4,458 | 80947 |
| NSWC Indian Head | 202.6 | 2,243 | 796 | 665 | 1,785 | 117 | 58.22 | 58.87 | 83.78 | 13.5 | 9.1 | 52.88 | 2,809 | 56489 |
| NSWC Lakehurst | 172.4 | 1,859 | 764 | 284 | 1,501 | 318 | 64.12 | 74.07 | 82.52 | 14.1 | 9.8 | 52.77 | 2,461 | 50955 |
| NSWC Newport - Newport 52.95 | 891.8 | 3,395 | 489 | 279 | 1,773 | 2,724 | 85.41 | 63.67 | 39.43 | 15.6 | 10.4 | 51.89 | 5,121 | 51218 |
| NSWC Research Lab | 787.0 | 3,835 | 1,281 | | 2,907 | | 69.75 | 100.00 | 100.00 | 16.3 | 9.9 | 49.11 | 4,270 | 30955 |
| NSWC West San Diego | 834.1 | 3,072 | 585 | 457 | 2,517 | 2,560 | 83.24 | 55.28 | 49.58 | 15.8 | 12.2 | 47.43 | 3,825 | 42988 |
| NSWC Portsmouth, VA | 139.0 | 344 | 89 | 135 | 349 | 982 | 86.71 | 33.82 | 26.22 | 14.2 | 12.3 | 47.36 | 467 | 39473 |
| NSWC Tech Center | 31.0 | 253 | 22 | 4 | 245 | 280 | 95.10 | 84.62 | 48.51 | 13.8 | 12.8 | 44.07 | 267 | 39008 |
| NSWC Dahlgren - Dahlgren 46.54 | 428.3 | 4,098 | 910 | 80 | 2,373 | 1,317 | 78.68 | 91.00 | 64.31 | 15.3 | 10.8 | 43.95 | 5,467 | 38739 |
| NSWC Crane - Crane 44.87 | 534.0 | 5,537 | 1,329 | 278 | 2,783 | 712 | 68.39 | 82.73 | 79.51 | 13.6 | 10.6 | 43.78 | 4,002 | 33272 |
| NSWC Newport - New London | | | 256 | 155 | 1,163 | 1,819 | 87.13 | 62.29 | 41.80 | 15.8 | 11.4 | 43.46 | | 29270 |
| NSWC Port Huamano - Pt Huamano 52.95 | 822.8 | 1,943 | 393 | 119 | 2,099 | 427 | 83.15 | 76.78 | 83.10 | 14.2 | 8.5 | 40.58 | 2,644 | 29270 |
| NTSC | 56.7 | 968 | 320 | 2 | 653 | 0 | 66.97 | 88.28 | 100.00 | 15.8 | 12.8 | 40.54 | 1,323 | 28826 |
| NSWC Dahlgren - Panama city | 142.1 | 1,091 | 435 | 37 | 925 | 34 | 67.92 | 82.16 | 85.46 | 15.3 | 9.0 | 40.52 | 1,333 | 25303 |
| NSWC Crane - Longville 48.99 | 0.0 | 0 | 429 | 109 | 2,109 | 147 | 80.84 | 78.88 | 82.80 | 12.6 | 11.4 | 38.55 | 2,705 | 22870 |
| NSWC West San Diego 40.60 | 128.5 | 688 | 148 | 15 | 435 | 502 | 85.18 | 82.78 | 65.41 | 14.1 | 10.9 | 38.55 | 882 | 21285 |
| NSWC N. Charleston | 202.6 | 889 | 81 | 38 | 305 | 1,282 | 82.88 | 70.54 | 19.22 | 14.3 | 11.8 | 38.54 | 370 | 20803 |
| NAWC-AD Indianapolis 44.12 | 388.8 | 2,881 | 732 | 171 | 2,611 | 349 | 75.87 | 81.85 | 88.48 | 14.2 | 9.3 | 38.11 | 3,424 | 20233 |
| NSWC St. Inigo | 388.8 | 339 | 85 | 32 | 318 | 1,823 | 83.31 | 31.77 | 14.11 | 14.8 | 10.9 | 38.14 | 401 | 16809 |
| NSWC-WD Barking Sands | 38.0 | 108 | 64 | 229 | 35 | 185 | 45.84 | 21.84 | 32.00 | 14.3 | 11.7 | 38.08 | 108 | 16408 |
| NSWC Carderock - Carderock | 339.4 | 2,484 | 513 | 183 | 1,389 | 785 | 75.84 | 73.71 | 83.57 | 15.7 | 10.8 | 38.84 | 2,971 | 16300 |
| NSWC Carderock - Annapolis | | | 261 | 32 | 685 | 152 | 74.07 | 88.88 | 81.84 | 15.3 | 11.9 | 38.03 | | 13328 |
| NSWC Dahlgren - White Oak | | | 419 | 134 | 1,283 | 386 | 74.89 | 75.77 | 78.59 | 16.0 | 10.7 | 37.28 | | 13328 |
| NSWC Port Huamano - Va. Beach | 31.1 | 208 | 35 | 22 | 217 | 79 | 83.85 | 61.40 | 73.31 | 13.7 | 11.4 | 34.74 | 380 | 13328 |
| NSWC Warminster 35.51 | 49.0 | 279 | | | 285 | | 100.00 | NMN | 100.00 | 16.0 | 10.9 | 34.51 | 308 | 12888 |
| NSWC-AD Trenton | 47.9 | 485 | 187 | 0 | 289 | 0 | 85.75 | 100.00 | 100.00 | 13.0 | 12.7 | 33.98 | 799 | 12888 |
| NSWC Newport - Norfolk | | 0 | 78 | 89 | 694 | 889 | 89.81 | 83.88 | 40.88 | 14.4 | 8.2 | 32.19 | 888 | 11888 |
| NSWC-AD LOCCEN | 30.2 | 271 | 19 | 0 | 317 | 79 | 95.32 | 100.00 | 81.81 | 14.2 | 10.3 | 31.88 | 384 | 10988 |
| NSWC West San Diego - PH 31.65 | 34.7 | 192 | 43 | 3 | 150 | 20 | 78.70 | 83.48 | 88.24 | 14.9 | 14.0 | 31.53 | 327 | 10634 |
| NSWC Carderock - Philadelphia | 161.3 | 1,588 | 270 | 2 | 1,581 | 528 | 88.48 | 99.26 | 74.72 | 14.2 | 9.1 | 30.96 | 2,068 | 10307 |
| NSWC-AD LANT Charleston | | | 0 | 0 | 50 | 3 | 100.00 | NMN | 94.34 | 12.4 | 17.4 | 30.78 | | 8239 |
| NSWC Washington, DC | 34.1 | 130 | 25 | 5 | 121 | 53 | 85.29 | 83.33 | 69.54 | 13.8 | 12.0 | 30.71 | 168 | 8239 |
| PERA (C) | 50.0 | 138 | 27 | 0 | 100 | 0 | 78.74 | 100.00 | 100.00 | 13.5 | 17.8 | 30.38 | 138 | 8071 |
| NSWC-AD Warminster | | 270 | 0 | 0 | 34 | 0 | 100.00 | NMN | 100.00 | 15.4 | 5.7 | 30.27 | 273 | 7933 |
| NSWC-AD LANT HQ | 52.0 | 600 | 53 | 3 | 436 | 25 | 89.17 | 94.64 | 94.58 | 13.0 | 14.1 | 29.76 | 600 | 7660 |
| NSWC Port Huamano - Yorktown | 19.7 | 175 | 46 | 7 | 168 | 24 | 78.37 | 86.79 | 87.50 | 13.5 | 11.5 | 29.67 | 225 | 7060 |
| NSWC-AD LANT Mayport | | | 0 | 0 | 38 | 0 | 100.00 | NMN | 100.00 | 12.6 | 15.7 | 29.30 | | 6835 |
| PERA (Surface) Atlantic 26.19 | 9.7 | 64 | 20 | 0 | 50 | 0 | 71.43 | 100.00 | 100.00 | 14.2 | 15.0 | 29.18 | 86 | 6835 |
| NSWC-AD | 24.0 | 291 | 44 | 6 | 274 | 154 | 89.54 | 88.00 | 84.02 | 13.0 | 15.7 | 28.94 | 373 | 6749 |
| NSWC-AD | 0.7 | 12 | 19 | 0 | 136 | 16 | 88.89 | 100.00 | 89.47 | 14.1 | 11.7 | 28.12 | 94 | 6376 |
| Civil Engineering Lab | 67.4 | 419 | 104 | 1 | 310 | 263 | 84.54 | 89.28 | 84.19 | 15.7 | 10.9 | 27.78 | 435 | 6282 |
| Nav War Assessment Ctr | 128.4 | 1,214 | 192 | 49 | 1,041 | 468 | 86.23 | 78.67 | 88.89 | 15.4 | 8.5 | 27.62 | 1,511 | 6847 |
| NADOC | 16.8 | 279 | 88 | 5 | 197 | 88 | 72.08 | 85.24 | 71.34 | 13.7 | 9.5 | 27.16 | 446 | 4396 |
| NSWC Carderock - Barview | | | 3 | 24 | 47 | 19 | 79.87 | 11.11 | 71.21 | 14.1 | 9.3 | 27.11 | | 3891 |
| NAVSEACENPAC Mare Island | | | 4 | 0 | 14 | 0 | 77.78 | 100.00 | 100.00 | 12.6 | 19.4 | 25.96 | | 3891 |
| NAVSEACENPAC Pearl Harbor | | | 5 | 0 | 48 | 0 | 90.57 | 100.00 | 100.00 | 13.0 | 16.8 | 25.91 | | 3891 |
| NAMO | 8.0 | 137 | 25 | 0 | 130 | 100 | 90.20 | 100.00 | 56.52 | 13.9 | 13.5 | 25.26 | 173 | 3891 |
| NAVSEACENLANT New London | | | 0 | 0 | 9 | 0 | 100.00 | NMN | 100.00 | 12.0 | 15.7 | 25.06 | | 3718 |
| NSWC West San Diego - Valero | 157.2 | 215 | 65 | 33 | 228 | 911 | 92.11 | 86.67 | 20.02 | 14.6 | 11.7 | 23.25 | 370215 | 3718 |
| NSWC-AD | 53.8 | 255 | 70 | 16 | 197 | 153 | 80.28 | 81.40 | 56.29 | 15.3 | 13.9 | 21.75 | 260 | 3503 |
| NAVSEACENPAC HQ | 42.8 | 522 | 68 | 0 | 363 | 4 | 84.37 | 100.00 | 98.91 | 13.3 | 14.7 | 21.58 | 588 | 3243 |
| NSWC | 14.5 | 306 | 34 | 0 | 221 | 0 | 86.67 | 100.00 | 100.00 | 12.5 | 11.8 | 21.35 | 344 | 2655 |
| NSWC Education Center | 2.5 | 55 | 44 | 118 | 0 | 0 | 0.00 | 27.18 | n/a | n/a | n/a | 18.88 | 55 | 2311 |
| NSWC-AD LOCCEN Det | 27.3 | 52 | 7 | 2 | 47 | 200 | 96.46 | 77.78 | 19.03 | 13.4 | 17.3 | 18.06 | 70 | 2256 |
| PERA (Surface) Pacific | 17.0 | 78 | 16 | 0 | 71 | 0 | 81.61 | 100.00 | 100.00 | 13.9 | 14.3 | 17.56 | 89 | 2186 |
| NSWC | 76.3 | 985 | 53 | 0 | 25 | 0 | 32.05 | 100.00 | 100.00 | 13.4 | 15.9 | 17.16 | 1,697 | 2097 |
| NSWC | 3.6 | 54 | 9 | 0 | 45 | 9 | 85.48 | 100.00 | 83.96 | 15.6 | 8.5 | 16.84 | 60 | 400 |
| Sea Sparrow Project Office | 146.9 | 36 | 14 | 11 | 17 | 32 | 66.22 | 56.00 | 34.69 | 16.9 | 13.9 | 16.49 | 35 | 340 |
| PERA (Surface) HQ | 21.8 | 192 | 36 | 0 | 171 | 0 | 82.61 | 100.00 | 100.00 | 13.8 | 9.0 | 14.34 | 265 | 305 |
| Nav Tech Rep Office APL | 0.8 | 15 | 14 | 0 | 4 | 0 | 22.22 | 100.00 | 100.00 | 15.5 | 12.5 | 12.41 | 40 | 40 |

Note 1: Transcription errors corrected.

NMN = no meaningful number

COBRA TECHNICAL CORRECTIONS

Activity: NADEP Norfolk

- **ROI Data (Navy Report):**

| <u>ROI Years</u> | <u>One-Time Costs</u> | <u>Steady-State Savings</u> | <u>20 Year NPV</u> |
|----------------------|---------------------------|---------------------------------|------------------------|
| Immediate | \$172.5M | \$108.2M | -\$748.5M |

- **Corrections Required:**

NADEP erroneously identified as requiring a Homeowners Assistance Program if closed. \$13M in one-time costs deleted.

- **Revised ROI Data:**

| <u>ROI Years</u> | <u>One-Time Costs</u> | <u>Steady-State Savings</u> | <u>20 Year NPV</u> |
|----------------------|---------------------------|---------------------------------|------------------------|
| Immediate | \$159.4M | \$108.2M | -\$759.9M |

NADEP CONFIGURATION SUMMARY

CURRENT CONFIGURATION

| | | | DIRECT LABOR MAN HOURS | | | | |
|--------------------|-------|--------------|------------------------|---------|------------|-------|-------|
| | MV | MV DIFF | AIRFRAMES | ENGINES | COMPONENTS | OTHER | TOTAL |
| ALAMEDA 54.36 | 55.77 | -5.04(-5.13) | 978 | 330 | 1786 | 1626 | 4720 |
| CHERRY POINT 66.39 | 66.53 | 5.72(6.94) | 1804 | 646 | 913 | 1816 | 5179 |
| JACKSONVILLE 64.18 | 66.33 | 5.52(5.43) | 1654 | 998 | 1460 | 2097 | 6209 |
| NORFOLK 62.30 | 65.33 | 4.52(3.25) | 1594 | | 1755 | 3190 | 6539 |
| NORTH ISLAND 54.14 | 56.52 | -4.29(-5.94) | 1522 | 308 | 1499 | 2912 | 6241 |
| PENSACOLA 54.65 | 54.39 | -6.42(-4.10) | 1812 | | 1552 | 1217 | 4581 |
| TOTAL (54.55) | 60.81 | 0.00 | 9364 | 2282 | 8965 | 12858 | 33469 |
| REQUIREMENT | | | 3869 | 829 | 2704 | 8161 | 15563 |
| EXCESS | | | 5495 | 1453 | 6261 | 4697 | 17906 |

Minimize Capacity

| | | | DIRECT LABOR MAN HOURS | | | | |
|--------------|------------------|----------------|------------------------|---------|------------|-------|-------|
| | MV | MV DIFF | AIRFRAMES | ENGINES | COMPONENTS | OTHER | TOTAL |
| ALAMEDA | | | | | | | |
| CHERRY POINT | | | | | | | |
| JACKSONVILLE | 66.33 | 5.52 | 1654 | 998 | 1460 | 2097 | 6209 |
| NORFOLK | 65.33 | 4.52 | 1594 | | 1755 | 3190 | 6539 |
| NORTH ISLAND | 56.52 | -4.29 | 1522 | 308 | 1499 | 2912 | 6241 |
| PENSACOLA | | | | | | | |
| TOTAL | 62.73 (60.64) | 5.74 (3.26) | 4770 | 1306 | 4714 | 8199 | 18989 |
| REQUIREMENT | | | 3869 | 829 | 2704 | 8161 | 15563 |
| EXCESS | | | 901 | 477 | 2010 | 38 | 3426 |

Final Configuration

| | | | DIRECT LABOR MAN HOURS | | | | |
|--------------|------------------|----------------|------------------------|---------|------------|-------|-------|
| | MV | MV DIFF | AIRFRAMES | ENGINES | COMPONENTS | OTHER | TOTAL |
| ALAMEDA | | | | | | | |
| CHERRY POINT | 66.53 | 5.72 | 1804 | 646 | 913 | 1816 | 5179 |
| JACKSONVILLE | 66.33 | 5.52 | 1654 | 998 | 1460 | 2097 | 6209 |
| NORFOLK | | | | | | | |
| NORTH ISLAND | 56.52 | -4.29 | 1522 | 308 | 1499 | 2912 | 6241 |
| PENSACOLA | | | | | | | |
| TOTAL | 63.13 (61.84) | 6.95 (6.95) | 4980 | 1952 | 3872 | 6825 | 17629 |
| REQUIREMENT | | | 3869 | 829 | 2704 | 8161 | 15563 |
| EXCESS | | | 1111 | 1123 | 1168 | -1336 | 2066 |

SHIPYARD CONFIGURATION ANALYSES

100% REQUIREMENT

| | Military Value | M.V. Minus | | Capacity Measures (DLMD's x 1000) | | | |
|---------------|-------------------|------------|--------------------|-----------------------------------|-------------|-------------|----------|
| | | M.V. | Minus M.V. Avg. | Nuclear | Total | Current | Min Cap. |
| Portsmouth | 40.1 | 41.2 | -7.3 (6.0) | 1046 | 1295 | 1 | 1 |
| Norfolk | 56.4 | 57.0 | 9.0 (9.8) | 1210 | 2061 | 1 | 1 |
| Charleston | 43.5 | | -3.9 | 751 | 1088 | 1 | 0 |
| Long Beach | 47.8 | | 0.4 | 0 | 1058 | 1 | 0 |
| Mare Island | 38.4 | 38.6 | -9.0 (-8.6) | 1140 | 1622 | 1 | 0 |
| Pearl Harbor | 41.4 | | -6.0 | 532 | 1062 | 1 | 1 |
| Puget Sound | 63.9 | | 16.5 | 1760 | 2557 | 1 | 1 |
| Total | | | | 6439 | 10743 | | |
| M.V. Average: | 47.4 | (47.2) | | Total Nuclear: | 6439 | 4548 | |
| | | | | Excess Nuclear: | 2139 | 248 | |
| | | | | Total: | 10743 | 6975 | |
| | | | | Total Excess: | 3809 | 41 | |
| | | | | Avg. M.V.: | 47.4 (47.2) | 50.5 (50.9) | |
| | | | | Minimum M.V.: | -9.0 (-8.6) | -7.3 (-6.0) | |

1999 Required Nuclear: 4300
 1999 Required Total: 6934

— : POST AUDIT SENT TO COMMISSION